Valuing Europe’s Forests and Paying for Ecosystem Services Can Benefit Rural Communities and Contribute to a Green Economy

Geneva, Switzerland, 10 December 2013 – Three UN agencies called today upon governments to consider scaling up payments to European forest owners for serving as stewards for these valuable resources, although they said such payments should be complementary to government legislation, regulation or democratic accountability.

During European Forest Week (9-13 December), the United Nations Environment Programme (UNEP), United Nations Economic Commission for Europe (UNECE) and the Food and Agriculture Organization (FAO) released a joint report calling for the payment of ecosystem services (PES) to be used as a tool to ‘complement’ government measures to manage Europe’s forest ecosystems in a sustainable manner.

The report, The value of forests: Payment for ecosystem services in a green economy, said payment for ecosystem services is an incentive for public and private partners to protect key forest areas, but it still requires the appropriate legislative framework to be cost-effective.

Highlighting the indisputable benefits derived from Europe’s forests - such as clean air, fresh water, food, medicine and shelter - the report examines how paying foresters for these benefits can promote rural development and ensure that rural populations maintain their incomes and livelihoods. It also fits within the Action Plan for the Forest Sector in a Green Economy proposed for the ECE region.

PES mechanisms encompass a range of measures to ensure that as forest resources are used by different sectors, incentives are available for users and suppliers alike to help keep these resources healthy and productive.

The report cites the example of the Coca-Cola® bottling plant at the Tagua Reservoir, Portugal that has agreed to pay local forest owners to maintain their forests, which help filter and protect this resource so the bottling plant has access to pure water. This successful example is the kind of win-win solution that PES can provide.

Another example explained in the report is the AgriGeorgia project: a subsidiary company fully owned by the Ferrero Group, has developed a project to sequester carbon on previously abandoned land in a poor rural region near the Black Sea coast. The plan is to halt land degradation by creating permanent forest cover, whilst providing local communities with sustainable and long-term income opportunities. Established in 2007, the project rehabilitates
local soil, land and water resources, restoring land production while generating necessary
financing from the carbon credits. Afforestation with hazelnut plantations represents a replicable
model for the Samegrelo region, offering significant environmental and economic opportunities,
including higher employment, income, transfer of technology and know-how.

The majority of PES schemes are often innovative and unique to their locality, thus they do not fit
easily into subsidy or tax programmes, such as the EU Common Agricultural Policy (EU CAP),
according to the report.

However, the report finds PES projects are particularly effective tools for rural development,
especially where they succeed in bringing together public and private partners. Financing through
a PES scheme, for example, secures long-term commitments to provide ecosystem services,
which could otherwise be threatened, especially in an economic recession.

“We have long understood the importance of the key ecosystem services that our forests provide
but we have been slow to realize that these things could be worth paying for, especially when the
costs and responsibility for stewardship of the forest are not in the public sector,” said Paola Deda,
Chief UNECE/FAO Forestry and Timber Section.

Jan Dusik, Director of UNEP’s Regional Office for Europe, said “With payment for ecosystem
services, the fact that the money goes directly to the provider helps ensure that the service will
continue to be supplied. This payment can be used to strengthen the particular ecosystem against
pressures that may affect it, including climate change.”

PES has come to prominence in the past decade as a tool to reduce the loss of ecosystem services
and biodiversity. There are 14 cases of best practices presented in the report, which also covers
some potential drawbacks that could occur if good policies are not in place. The report uses the
lessons learned to provide guidance on criteria and conditions for successful PES schemes and
their future in preserving and maintaining precious forest resources.

This publication will be launched during a side event at Metsä2013, the joint meeting of the ECE
Committee on Forests and the Forests industry and the FAO European Forestry Commission,
which takes place from 9 to 13 December 2013 in Rovaniemi, Finland. This meeting is held in
conjunction with the second European Forest Week, launched and promoted by 15 partner
organisations to celebrate forests and their contribution to a greener society throughout Europe.

**Note to the editors:**

The UNECE/FAO Forestry and Timber Section and UNEP Regional Office for Europe
 cooperate regularly on forest-related matters in the Pan-European Region.

The UNECE/FAO Forestry and Timber Section has served as a trusted source of
information, data and analysis about the forest sector in the UNECE region for more than
60 years. It also provides a forum for policy discussion about major issues that affect the
forest sector. The section is unique in that it is a joint UNECE/FAO secretariat, servicing
the UNECE Committee on Forests and the Forest Industry and the FAO European
Forestry Commission and working closely with other members of the United Nations
family and country stakeholders.

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